

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF AVISTA CORPORATION DBA AVISTA)	CASE NO. AVU-E-01-13
UTILITIES—WASHINGTON WATER)	
POWER DIVISION (IDAHO) FOR)	AMENDED
AUTHORITY TO IMPLEMENT A)	NOTICE OF APPLICATION
RESIDENTIAL AND SMALL FARM)	
ENERGY RATE ADJUSTMENT CREDIT.)	AMENDED NOTICE OF
)	COMMENT/PROTEST DEADLINE
)	
)	ORDER NO. 28853

On August 16, 2001, Avista Corporation dba Avista Utilities—Washington Water Power Division (Idaho) filed an Application with the Idaho Public Utilities Commission (Commission) requesting authority to implement a Schedule 59 residential and farm energy adjustment credit of 0.439¢ per kilowatt hour. The purpose of the energy rate adjustment credit is to pass through to qualifying electric residential and small farm customers the estimated benefits to be derived under the Residential Exchange Settlement Agreement between Avista and the Bonneville Power Administration (BPA) for the contract year October 1, 2001 through September 30, 2002. In its Settlement Agreement with BPA, Avista received system rights to 90 aMW of benefits from the federal hydro power system beginning October 1, 2001.

On August 24, 2001, the Commission issued Notices of Application, Modified Procedure (i.e., by written submission rather than by hearing. Reference Commission Rules of Procedure, IDAPA 31.01.01.201-204) and Comment/Protest Deadline in Case No. AVU-E-01-13. In its Notice the Commission established a September 13, 2001 deadline for filing written comments or protests.

YOU ARE HEREBY NOTIFIED that on September 10, 2001 the Company made an amended filing in Case No. AVU-E-01-13. In its filing the Company tenders a substitute Schedule 59 tariff sheet setting forth a Residential and Small Farm Energy Rate Adjustment Credit of 0.337¢. In the Company's original filing the credit was 0.439¢. The credit has been reduced as a result of the Bonneville Power Administration (BPA) making a determination that conversion of the Firm Power Sale Agreement to Monetary Benefit is subject to all three components of BPA's Cost Recovery Adjustment Clause (CRAC). The three components are

“load-based” CRAC, “financial-based” CRAC, and “safety-net” CRAC. Prior to this time it was Avista’s understanding that any such conversion would result in Avista’s residential and small farm customers receiving Monetary Benefit that was only subject to the safety-net CRAC. While the benefits to qualifying customers are still greater by converting the Firm Power Sale Agreement to Monetary Benefit rather than taking firm power, the amount of benefit is now lower. The revised proposed rate credit results in an overall reduction in revenue of approximately \$3.5 million or about 6.1 percent for the group of qualifying residential and small farm customers as a whole. For a residential customer using 1,000 kilowatt-hours per month, the decrease would be 6.12 percent or \$3.37 per month.

YOU ARE FURTHER NOTIFIED that the Commission finds it reasonable to extend the **deadline for filing written comments or protests** with respect to the Application and the Commission’s use of Modified Procedure (i.e., by written submission rather than by hearing. Reference Commission Rules of Procedure, IDAPA 31.01.01.201-204) in Case No. AVU-E-01-13 from September 13, 2001 to **Friday, September 21, 2001**. Persons desiring a hearing must specifically request a hearing in their written protests or comments.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the deadline, the Commission will consider the issue on its merits and enter its Order without a formal hearing. If comments or protests are filed within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order based on the written positions before it. Reference IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments concerning Case No. AVU-E-01-13 should be mailed to the Commission and the Company at the addresses reflected below.

COMMISSION SECRETARY
IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074

Street Address for Express Mail:

472 W WASHINGTON ST
BOISE, ID 83702-5983

THOMAS D DUKICH, DIRECTOR
RATES & TARIFF ADMINISTRATION
AVISTA CORPORATION
1411 E. MISSION AVENUE
PO BOX 3727
SPOKANE, WA 99220

DAVID MEYER, ESQ.
SENIOR VP AND GENERAL COUNSEL
AVISTA CORPORATION
1411 E. MISSION AVENUE
PO BOX 3727
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All comments should contain the case caption and case number shown on the first page of this document.

YOU ARE FURTHER NOTIFIED that the amended Application and related attachments in Case No. AVU-E-01-13 can be reviewed at the Commission's office and at the Idaho offices of Avista during regular business hours. The Company's Application can also be viewed at the Commission's Internet web page file room: www.puc.state.id.us.

ORDER

IT IS HEREBY ORDERED and the Commission does hereby adopt the amended procedure and scheduling set forth above.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho, this
day of September 2001.

PAUL KJELLANDER, PRESIDENT

MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Jean D. Jewell
Commission Secretary

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